



## Visit of the National Lottery Regulatory Commission and the National Lottery Trust Fund

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ICRC Presentation

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# Leadership Commitment



## EXCERPTS OF SPEECH OF PRESIDENT MUHAMMADU BUHARI ON AUGUST 23, 2015

“.....We also have a **huge infrastructure deficit** for which we **require foreign capital and expertise to supplement** whatever resources we can marshal at home. In essence, **we seek public private partnerships** in our quest for enhanced capital and expertise.”

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# Welcome DG and Ag. ES



May the Nigerian Lottery Ecosystem under your leadership experience full transformation into a world class Lottery Ecosystem driving value for all stakeholders and Nigeria – Mgt and Staff  
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# Presentation Outline



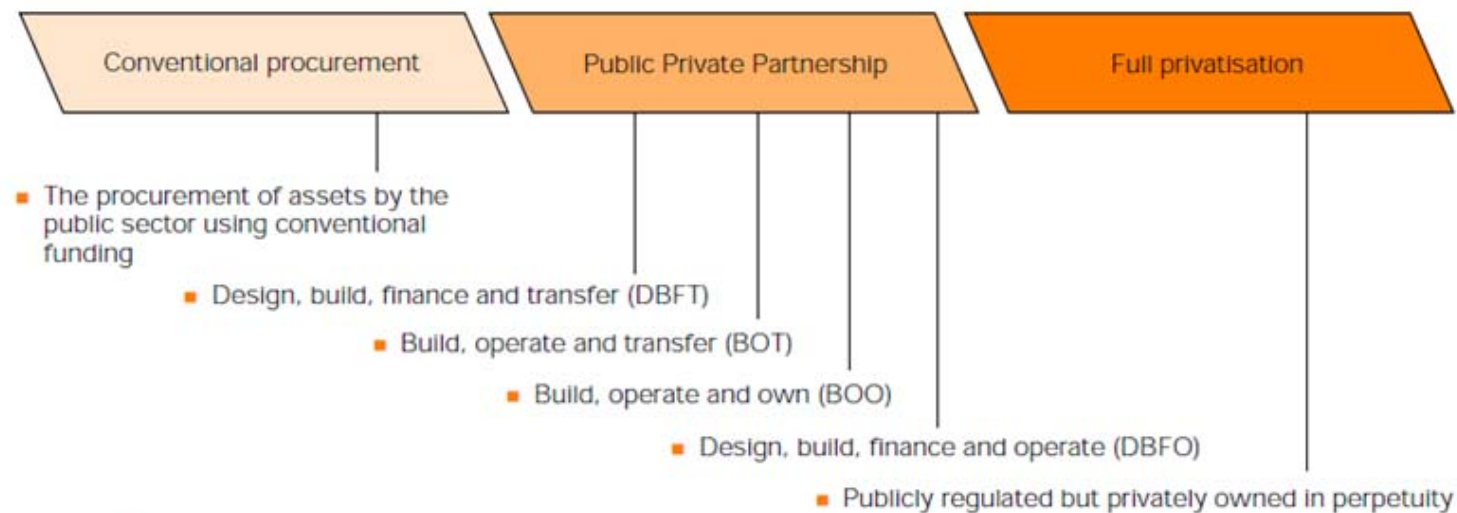
- Procurement Continuum and Public Private Partnerships
- 7 essential conditions that define PPPs
- Types of PPPs
- Mandate of ICRC and The Nigerian PPP Framework
- Collaboration Ideas
- Details of Collaboration Ideas
- Way Forward and Conclusion

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# Asset Procurement Options



PPP represents a balance between state ownership and privatisation as indicated below:



Source: KPMG, KLegal



# Public Private Partnerships



A Public-Private Partnership is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.

Wide  
Infrastructure  
Gap

Small and  
depleting  
Government  
resources

Growing  
demand for  
private sector  
participation in  
infrastructure

Urgent need for  
alternative funding of  
Infrastructure

# PPPs are Fundamentally Different



Formal contract between public and private partner (over the years duration the service will be provided) – usually multiple years duration

Entered through competitive procurement

Using output specification – government specifies ‘what’, private sector can define ‘how’

With suitable risk allocation between parties

Putting private investment at risk

With regulation or contract management of performance of the private partner

## Example

Government defines output = connection to let 1,000 vehicles p.d. travel between islands

Government tenders for best solution over 30 years – e.g. ferry, tunnel, bridge??

Government enters 30-year contract with private company

Private company designs, builds, finances bridge, then operates and maintains it for 30-years

Private company receives payment if the bridge works and is available for traffic

Government checks on safety and availability

If the bridge is closed, or unsafe, the private company loses money





# 7 Essential Conditions That Define PPPs

1

## Arrangement

Between public & private

2

## Provision

Of services for public benefit by private partner

3

## Investments

In and/or management of public assets by private partner

4

## Time Period

For a specified time

5

## Risk Sharing

Optimally between contracting parties

6

## Standards

Focus on quality of service / performance

7

## Payments

Linked to performance

Source: IP3



# What PPPs are about!



1. Mobilising private sector's money, expertise and capacities for infrastructure development
2. Long- term relationship between government and private sector (usually>10years)
3. Sharing of Risks and Rewards *(no lop-sided agreements-privatizing the profits, nationalizing the loses)*
4. Private sector performs to agreed KPIs
5. Life cycle focus *(operations and maintenance)*

Government is moving from role of Developer & Operator to Facilitator

Developer &  
Operator

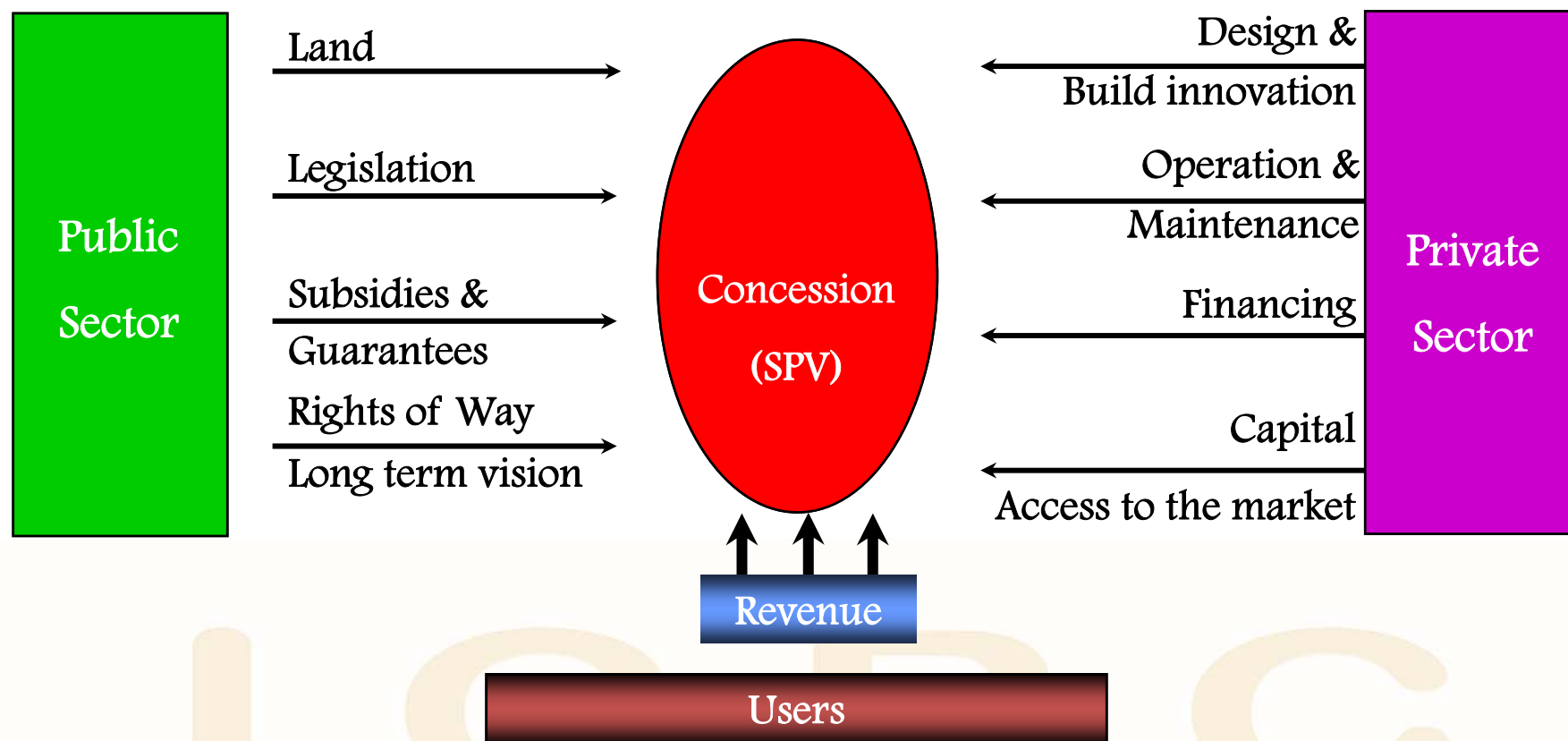


Facilitator

# PPP Advantages (1)



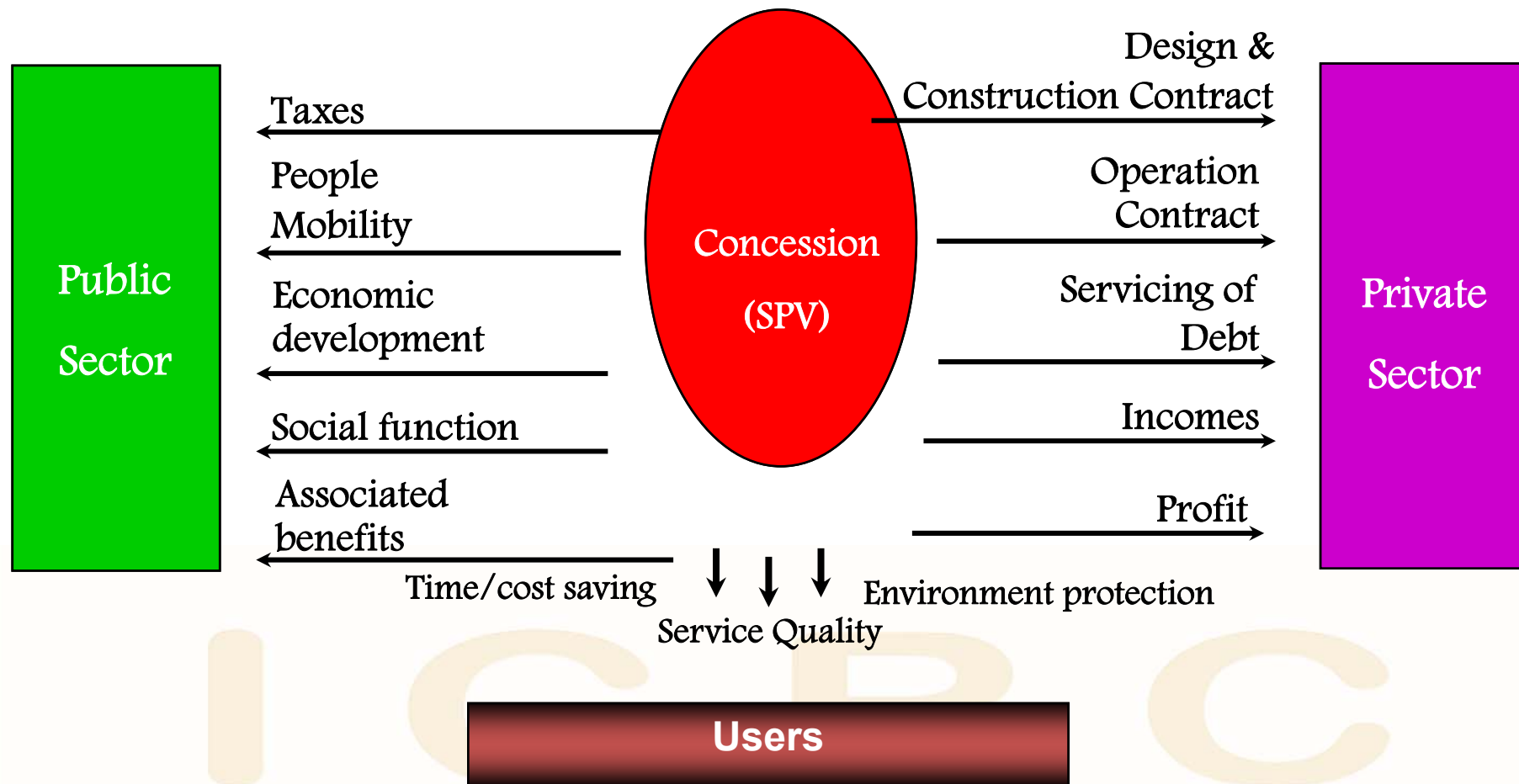
## What each party brings to a PPP



# PPP Advantages (2)



## What each party gets from a PPP



# What PPPs are about!



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Developer &  
Operator



Facilitator

## Types and features of PPPs

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# Typology of PPPs



## FINANCIALLY FREE STANDING PROJECTS

*Examples* - Toll Roads/ Bridges, Telecom services, Port projects

1. Role of public sector - planning, licensing & statutory approvals
2. No financial support/ payment is made by government
3. Revenues are through levy of user charges by the private sector

## PROJECTS WHERE GOVERNMENT PAYS FOR SERVICES

*Examples* - Roads - annuity/ shadow tolls, power - under PPAs. In UK - prisons, education, health services, defence related services

1. Private sector paid a fee (tipping fee), tariff (shadow toll) or periodical charge (annuity) by Government for providing services
2. The payment is made against performance
3. There may be demand risk transfer – either in part or whole

**Note that:** In both cases, the design, financing, construction and O&M risks are fully that of the private partner

## HYBRID STRUCTURES

*Example* – toll road project with either viability gap payment by government or annuity payment based road contract with tolling rights

1. Combine the financially free standing nature – levy of a user charge – with payment by the public entity
2. Payment could be as a viability gap subsidy or an annuity payment

# Mandate of ICRC



- ❑ The ICRC is the FGN's agency charged with **regulating** public and private processes in infrastructure provision.
- ❑ Promoting the development of a sustainable **PPP framework** towards the development of Brownfield and Greenfield infrastructure for the benefit of Nigerians
- ❑ The **ICRC Establishment Act 2005**, sets out the following key functions of the commission:
  1. Provide general policy guidelines, rules and regulations
  2. Take custody of every concession agreement
  3. Ensure efficient execution of any concession agreement or contract entered by the Federal Government



# The Nigerian PPP Framework



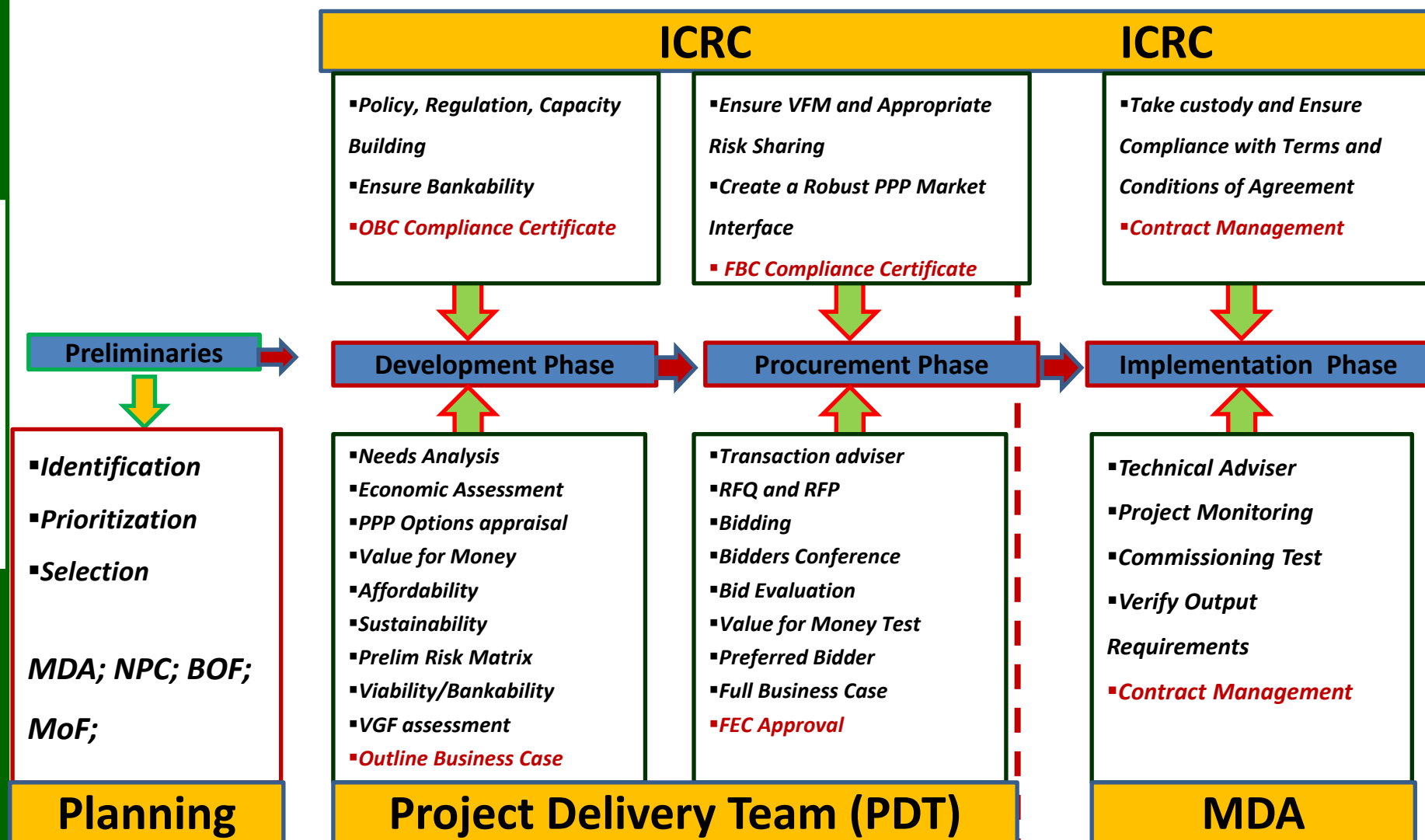
- The Infrastructure Concession Regulatory Commission (Establishment, etc.) Act 2005.
- The National Policy on PPP (N4P) approved by the Federal Executive Council in 2009.
- Other operational guidelines, which provide best practice guidelines and procedures for the effective development and competitive procurement of PPP Projects are also issued from time to time.

# The PPP Process

... Delivery Mechanism

Pre-Contract

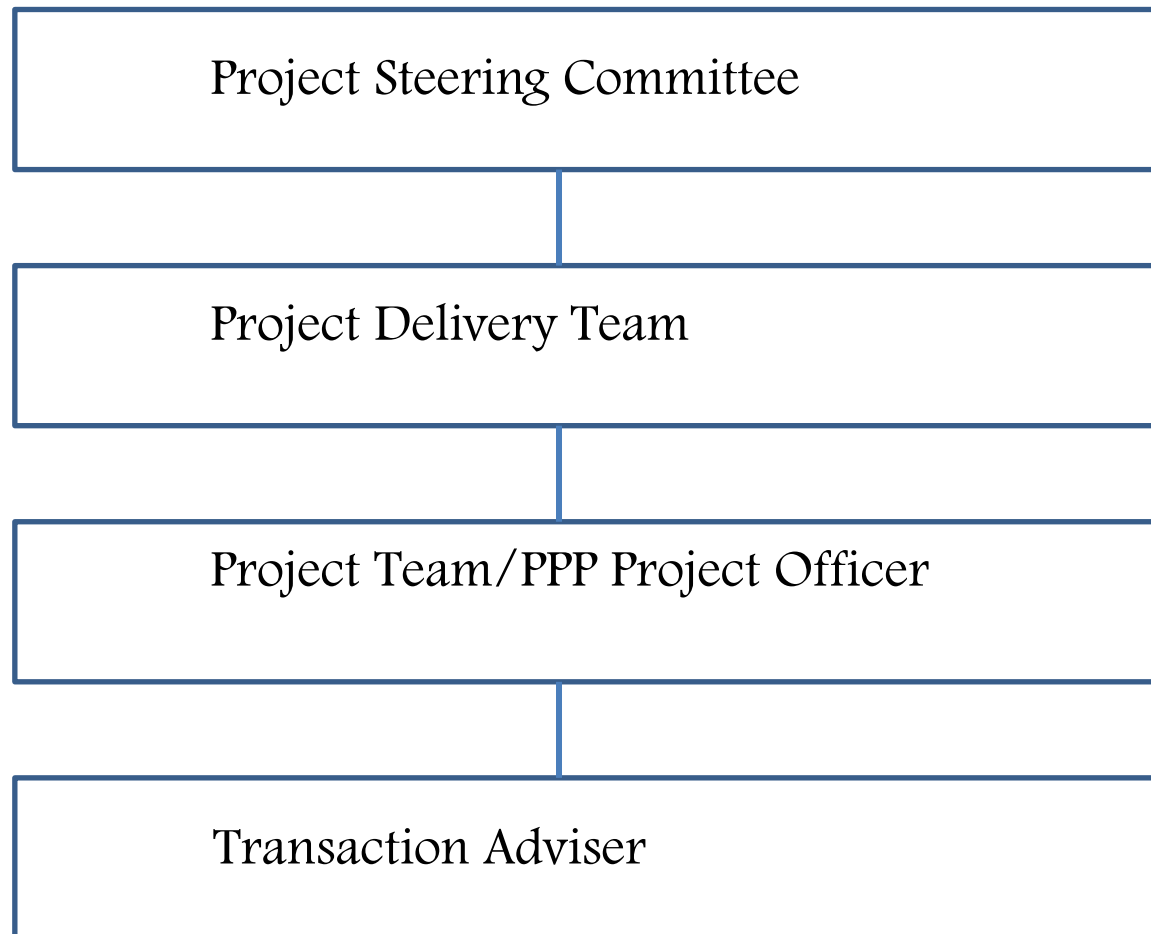
Post-Contract



Infrastructure Concession Regulatory Commission



# PPP Governance Structure in MDAs



# PPP Procurement Process

To improve the PPP procurement process, we have notified MDAs that this should be conducted using a competitive two stage process in line with international best practice. This will consist of Request for Qualifications (RFQ) and Request for Proposals (RFP) phases.

We are always reviewing our processes in order continuously improve the regulatory sphere to ensure that our PPPs succeed. Presently, we are doing an in house-study on fast-tracking the delivery of PPP projects.

## ICRC/NLRC/NLTF Collaboration Ideas

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# Potential Areas of Collaboration

The Commission sees opportunities for collaboration with the National Lottery Regulatory Commission and the National Lottery Trust Fund as regulatory agencies of the Federal Government of Nigeria.

# Potential Areas of Collaboration

- PPP Deployment of Lottery Management System for Nigeria – Online oversight, revenue management and monitoring of entire lottery ecosystem with Dashboards at NLRC and NLTF

# ABC Charter Lottery Management System

Data	Operations	Admin	Reports
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Show 10 entries

Search:

App #	First	Last	Grade	Status	Waitlist	Siblings	Multiples	Reg Date
1122	Joe	Smith	4	Accepted	0	N	N	12/16/15
1123	Henry	Jones	5	Waitlisted	7	N	N	12/16/15
1124	Allan	Ells	4	Accepted	0	N	N	12/16/15
1125	Susan	Folker	4	Declined	999	N	N	12/16/15
1126	Allison	Markel	10	Accepted	0	N	N	12/16/15
1127	Hank	Babadge	7	Waitlisted	12	N	N	12/16/15
1128	Zuilly	Tennison	8	Offered	1	N	N	12/16/15
1129	Frankin	Demott	4	Accepted	0	N	N	12/16/15
1130	Marcy	Jackson	4	Accepted	0	N	N	12/16/15



## Potential Areas of Collaboration ...cont'd

- Establishment of a PPP Project Development Fund focused on sustainable delivery of good causes and social infrastructure projects.
- Establishment of an Annuity Fund for payment of PPP service providers especially for good causes and social infrastructure sector PPP service delivery projects eg. Mobile schools, Clinics, ICT, etc. We could consider mobile schools/clinics for IDP camps as a pilot.
- Section 40(a) of the Act lists the good cause projects covered by the mandate to include “....projects for the advancement, upliftment and promotion of sports development, education, social services, public welfare and relief and management of natural disasters in Nigeria”.

## Collaboration Ideas in Summary Details

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# MOBILE MEDICAL CLINICS AND SCHOOLS FOR RURAL AND IDP NIGERIANS VIA PPP



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# MEDICAL MOBILE UNITS (MMU)



*Public Partner – Government of Bihar*

*Private Partner – Spake Systems (14 MMUs), Jaagran Solutions (12 MMUs), Jain Studio (12 MMUs)*

*Objective: To provide primary health facilities to people living in the remote areas of the State. Since there is acute shortage of manpower in government hospitals, the state decided to procure MMU through a PPP. A fixed budget is allocated to be paid to each MMU operator by the State. The MMUs provide the same facilities as a basic hospital. PPP Partners were selected by competitive bidding*

## Functional Specifications and Requirements for MMU



MMU should be a fully air-conditioned TATA 709 chassis or equivalent vehicle of similar dimension from a reputed manufacturer. It should be fitted with an up-to-date Global Positioning System (GPS) in order to keep track of the vehicle. The mobile van should be designed keeping in mind the following criteria: ease of deployment, privacy, community acceptance and cost.

A second vehicle (TATA Sumo/ Mahindra Bolero/equivalent) should accompany medical van; this second vehicle is used for the purpose of carriage of the medical personnel and it is also to be used as an ambulance for transporting patients in the case of an emergency.

The MMUs are equipped with 33 life-saving drugs, which are issued free of cost to patients in need. They are also equipped with various medical tools and facilities: Semi Auto-Analyzer, Portable X-ray Unit, Portable ECG, Microscope, Screen, Stretcher, O.T Table with standard accessories, Stools, Dressing Trolley/Instrument Trolley, Dressing Drums, Oxygen Cylinder, Suction Machine, Ophthalmoscope, Refraction Set, Microscope, Mobile Light/ Ceiling Light (OT Light), Centrifugal Machine, Hemoglobin Meter, Glucometer, Autoclave, Incubator, Urine Analyzer, Vaccine Carrier, Weighing Machines - adult and infant, Stethoscope, BP Instrument, Suture Removal Kit, Pregnancy Test Kit, IUD Insertion Kit, Starter, Regent Kit, HIV Testing kit, General Instrument Kit, First Aid Kit, various other test and surgery kits, normal ambulance appliances like foldable furniture, waste basket, linen, mattress, mackintosh sheets, fire extinguisher etc. It also has a silent DG set, Audio-Visual equipment with projection system, 40" LCD, P&A System and a cell phone.

# Responsibility of MMU PPP Partners



- Provide the requisite MMU vehicle, equipments and software
- Install, operate and maintain appropriate facilities
- Provide technical manpower to run the MMU and provide medical services to assigned area
- Provide technical back up for maintenance of the system
- Provide detailed reports and maintain database of MMU services as per pro formas provided at the time of signing of the contract, or as issued by the state health board from time to time

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# Medical Services Provided by MMUs



- Referral of complicated cases
- Early detection of tuberculosis, malaria, leprosy and other locally endemic communicable diseases as well as non-communicable diseases such as hypertension, diabetes and cataract cases.
- Minor surgical procedures and suturing
- Anti-natal checkups and related services
- Promotion of institutional deliveries
- Immunization clinics
- Treatment of common paediatric illnesses, diarrhoea, pneumonia, respiratory tract infections, sexually transmitted diseases
- Family planning services ~ counselling for spacing and permanent methods, distribution of contraceptives
- Investigations like haemoglobin, urine examination for sugar and albumin, clinical detection of tuberculosis.



# Manpower Specification for MMU



- The manpower required for the program is to be provided by the PPP partner
- Each MMU is accompanied by the following: 1 very experienced Doctor, 1 nurse, 1 pharmacist, 1 operation theatre assistant, 1 x-ray technician, 1 lab attendant, 1 Auxiliary Nurse Midwife (ANM) and 1 driver. The MMUs are able to attend to about 120 patients per day.

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# Mobile Clinic and Schools Partners



- Clinics – NLRC, NLTF, **NPHDA**, FMoH, CDC, ICRC, State Governments and FCT
- Schools – NLRC, NLTF, NITDA, **UBEC, SUBEB, UBEB**, ICRC

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# Police Booths Nationwide Building on Kolkata and Indian Experience

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# Kolkata Police Booths



- This project was a tripartite partnership between Kolkata Police, KMC (Kolkata Municipal Corporation) and SIPL.
- The idea was simplicity in genius~
  - Kolkata Police gave out locations for police booths to SIPL.
  - All requisite permissions were obtained as a single window clearance.
  - Technical design, logistics and capital investment for installation and maintenance of booths completely handled by SIPL.
  - Revenue generated by advertisement space atop the Police Booth.
  - Mobile maintenance teams of SIPL address any complaints within 2 hours ensuring trouble free operations to the Police.
  - Electricity charges borne by SIPL.
  - Advertisement tax revenue generated to KMC.

# Infrastructure in Booths



- One folding table and three chairs for police personnel.
- Steel lockable cupboard for document storage.
- Electricity switchboard for use by the personnel.
- Ceiling Fans and Tube Lights.
- Rechargeable Emergency Lights in case of power cuts.
- Jug to store drinking water for police personnel.
- First Aid Kits for any accidents to public at large.

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# Police Booths



# Advantages to Govt.



- Kolkata Police got an extensive infrastructure at zero capital investment.
- Logistics and financial liability of the same handled by the private partner.
- Kolkata Police has no revenue expenditure towards electricity or maintenance for booths.
- State bears no capital cost and generates revenue as well.
  - KMC receives advertisement tax for the same.

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# Civic Benefits of Project



- Greater confidence and reassurance to public and commuters.
- Acts as an Assistance Posts for tourists.
- Increases the operational strength of the police force.
- Offers better security cover in case of incidents.
- The posts act as local and field vigilance posts.
- Drastically improves response time for police.
- Complaints can be addressed on the spot.

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# Policing Benefits



- Instils confidence in population with high visibility day and night with a people friendly image.
- Increases accountability of the police personnel at duty during night time, as they are locationally identified.
- Operates as effective sealing of escapes routes in case of robberies, hit and run accidents.
- Offers all weather shelter to on duty personnel.
- Acts as an outpost for mobile patrolling.
- Does away with the psychological barrier of reporting to a police station.

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# Police Booth Partners



- NLRC, NLTF, **NPF**, ICRC, State Governments and FCT

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## Conclusions and Way forward

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# ICRC Support ~ PPP Capacity Building



ICRC is available to provide PPP Capacity Building for nominated personnel of the NLRC/NLTF, and provide the necessary regulatory guidance to ensure the successful use of PPPs in delivering your mandate.

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# Way Forward.....Next Steps



- Hold NLRC/NLTF PPP workshop
- Formal set up of PPP unit or desk officer
- List PPP focus area and services
- Formalize set up and charter of Project Steering Committee (PSC) and Project Delivery Teams (PDT)
- Agree Pilot Projects....Progress them with Joint Teams
- Prepare PPP Execution Plan covering development and procurement phases
- Procure Transaction Advisers
- Prepare and Get OBC or Structuring report certified by the ICRC
- Prepare RFQ and FRP and Procure PPP partners
- Implement pilot PPPs

## ... in Conclusion



- ❑ PPPs offer the NLRC/NLTF a dependable and sustainable option to deliver your mandate leading to increased accountability and transparency.
- ❑ Compliance with the ICRC Act; Project preparation funding and development is key to success.

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